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PROSPECTS FOR AGRICULTURE
IN COMMUNIST COUNTRIES AS OF MID-JUNE 1965

DIRECTORATE OF INTELLIGENCE
Office of Research and Reports

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W A R N I N G

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PROSPECTS FOR AGRICULTURE
IN COMMUNIST COUNTRIES AS OF MID-JUNE 1965

As of mid-June, crop prospects in the USSR continued to be generally good, although not as favorable as they were at this time in 1964.* The outlook for livestock products also was propitious because of the plentiful feed supply from the 1964 harvest and abundant pastures this spring. In Eastern Europe a cold and rainy spring and a Danube flood now in progress have made the crop outlook uncertain. A month of warm, sunny weather would insure a good winter grain crop and improve the outlook for spring crops, which have been seriously retarded. As in the USSR, abundant pastures have resulted in increased supplies of meat and milk.

In Communist China, prospects for the early grain harvest are essentially favorable; an increase in early rice production is expected to more than offset a probable decline in the production of winter wheat. Chinese purchases of grain for delivery in 1965 now total about 6 million metric tons (mt), only slightly less than the record purchases in 1964. The outlook for the spring rice crop in North Vietnam also is promising -- possibly equal to last year's bumper crop.

1. USSR

Prospects for the production of crops in the USSR as of mid-June were generally favorable but not nearly as good as at the same time in 1964. Supplies of soil moisture at the end of May 1965 were significantly above normal in most of the agricultural areas of the European USSR and averaged only about 10 percent below normal in the new lands area of Kazakhstan and western Siberia. Soil moisture levels at the end of May were, however, much less than at the same date in 1964 in all of the major agricultural areas of the USSR except for the northern and western parts of the European USSR.

The acreage plan for the seeding of spring crops in the USSR has been fulfilled. By 10 June a total of 142.3 million hectares** had been seeded, an area reported to be 100.7 percent of plan. Nevertheless, the total acreage sown by 10 June was 4 million hectares less than was reported for the same date in 1964. The degree of overfulfillment in both 1964 and 1965 indicates that the plan for seeding spring crops in

* See the table for production of grain in Communist countries in recent years.

** One hectare is equal to 2.471 acres.

1965 was 4 million hectares less than in 1964. Spring wheat was seeded on 49.8 million hectares in 1965, an area 2.5 million hectares in excess of plan and almost a million hectares larger than the acreage of spring wheat in 1964. The areas seeded to millet, sunflowers, buckwheat, and annual grasses also reportedly exceeded the plans. The planting of potatoes and vegetables and the seeding of flax and hemp were continuing as of 10 June, probably having been delayed somewhat by wet weather in the northern and western sections of the European USSR.

Prospects for the wheat crop in the USSR as of mid-June appeared relatively favorable. The acreage of winter grains for harvest in 1965 is expected to be about the same as in 1964, but yields should be somewhat better because of the generally good condition of the winter wheat. The increase in sown area should help maintain the level of production of spring wheat even though supplies of soil moisture in the principal growing areas this spring are less than in 1964. Although the large spring wheat acreage indicates that a rational system of dryland farming, which involves leaving substantial acreages fallow each year, has not been adopted as yet in the new lands area, rains in the latter part of May in this region provided sufficient moisture to insure good germination of the wheat.

The Soviet cotton crop probably will be substantially less than the record crops of the past 2 years. It was reported in the 26 June issue of Selskaya zhizn (Rural Life) that dry weather had caused a shortage of irrigation water.

Prospects for animal husbandry in the USSR are relatively good because rain in May over the European USSR has resulted in good growth of grass on pastures. By early June a number of administrative subdivisions, including the Ukraine, were reporting fulfillment of semi-annual plans for delivery of meat and milk to the state. These successes are largely attributable to the good feed supply from the 1964 crop season and perhaps in no small measure to the fact that in March Brezhnev reduced by about 5 percent the plans for delivery of these products to the state.

2. Eastern Europe

An abnormally cold and rainy spring over much of Eastern Europe and floods currently in progress have introduced an element of uncertainty in evaluating crop prospects as of mid-June. The condition of winter grains is estimated to be generally good, but final yields and

quality now depend on receiving warm sunny weather during the critical period of kernel development from mid-June to mid-July. Production prospects for the important crops of sugar beets and potatoes in the northern countries and corn in the Balkans are currently not as good as a year ago.

The adverse spring weather -- including current floods -- seriously delayed planting of late spring crops, retarded plant development, created a weed problem, and possibly reduced acreages of some crops. Corn and root crops were still being planted in early June, and the re-planting of some early vegetables in areas damaged by frost also was underway. Late-planted corn is especially susceptible to damage from the usual hot, dry summer in the Balkans. Also, unless the currently large backlog of field work in Eastern Europe is overcome by early July, harvest losses of small grain may be high and potential yields of many row crops may be further reduced. Overcoming this backlog will be most difficult for East Germany, Czechoslovakia, and Hungary because of a shortage of farm labor.

Forage crops and pastures have generally benefited from the rainy and cool spring, except in some of the higher areas of Poland and East Germany. Because of rain, however, Czechoslovakia and the Balkan countries are experiencing difficulty in harvesting and drying first cuttings of hay without heavy losses. Good spring pastures have resulted in the production and procurement of milk well above the levels of 1964.

The late May and mid-June floods in Eastern Europe probably did not cause extensive damage to agriculture on a national level except in Yugoslavia. Approximately 150,000 hectares of cropland had been ruined in southern Serbia before the present Danube flooding began. This Danube flood is causing additional damage in Yugoslavia and in Czechoslovakia and Hungary. Although final effects cannot be assessed, by 25 June an additional 50,000 hectares in Yugoslavia's richest farm area and 2 percent of Czechoslovakia's farmlands were under water.

The adverse effect of the spring weather on crops in Eastern Europe is already reflected in temporary shortages and higher prices to urban workers for some vegetables and fruits. In addition, the later than normal harvesting of breadgrains could cause temporary shortages of bread unless sufficient reserves of wheat are available until the 1965 crop is marketed. This situation could account for Poland's recent purchase of 300,000 mt of Canadian wheat for June-September delivery

and the East German purchase of 50,000 mt for July-August delivery. Even in the absence of disastrous weather -- and a subsequent crop failure -- the Communist countries of Eastern Europe can be expected to import upwards of 9 million mt of grain in the 1965/66 marketing year or about the same as in 1964/65.

3. Communist China

As of mid-June, prospects for the early grain harvest in Communist China are essentially favorable. Although the production of winter wheat is expected to be somewhat less than in 1964 because of reduced acreage, this reduction is expected to be more than offset by an increase in the production of early rice.

In many areas of North China, soil moisture levels are well below those of 1964. The dry weather has been beneficial for the ripening of the winter wheat crop, but the sowing of spring crops, such as miscellaneous grains and cotton, reportedly was delayed in some areas because of inadequate soil moisture. The successful growth of the spring-sown crops, however, is primarily dependent on the timely arrival of rains in the late spring and early summer. Thundershowers in parts of North China during the first 2 weeks of June may be indicative of the beginning of frontal activity in this area.

Weather conditions in the important rice-producing areas of South and Southwest China, which account for over 50 percent of the country's early rice acreage, are on the whole very favorable thus far this year. Acreage plans reportedly have been fulfilled and soil moisture levels appear to be good. In Central and East China, cold wet weather along with heavy insect infestation and some seed rot have affected the growth of rice seedlings and the transplanting of early rice in the important rice-producing areas. Thus far, however, the adverse effects of the weather in this area appear to be more confined to the ripening winter crops such as rapeseed than to the spring-planted crops. The Chinese purchase of 1.6 million mt of Canadian wheat, announced on 25 May, brings total purchases of grain for delivery in 1965 to about 6 million mt. Negotiations for additional grain purchases from Mexico and France have been reported.

4. North Vietnam

In North Vietnam, prospects for the spring rice crop -- normally about one-third of the annual rice harvest -- are good. Officials claim

that some 957,000 hectares of spring rice -- the highest acreage ever claimed -- were transplanted and that, as of the end of May when harvesting operations began, the crop was growing well. With slightly above-average yields on this acreage, this crop could equal last year's bumper spring rice harvest of nearly 1.8 million mt. The late rice crop has not yet been transplanted, and little information is available on the prospects for the less important subsidiary and industrial crops.

Production of Grain in Communist Countries
1963, 1964, and Annual Average 1958-62

	Million Metric Tons		
	<u>1964</u>	<u>1963</u>	<u>Annual Average a/ 1958-62</u>
USSR			
Total grain	125	95	111
Of which:			
Wheat	58	40	55
Eastern Europe <u>b/</u>			
Total grain	55.9	54.4	53.4
Of which:			
Breadgrains	27.1	26.7	27.1
Communist China			
Total grain <u>c/</u>	170	175	174
Of which:			
Harvested early summer <u>d/</u>	46	43	N.A.
North Vietnam			
Total rice	4.51	4.30	4.65
Of which:			
Spring rice	1.78	1.56	1.57

a. 1959-62 for North Vietnam.

b. Including Albania and Yugoslavia.

c. Including tubers on a grain equivalent basis of 4 metric tons of tubers to 1 metric ton of grain.

d. Excluding tubers.

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7 July 1965

MEMORANDUM FOR: Chief, Dissemination Control Branch, DD/CR
FROM : Acting Chief, Publications Staff, ORR
SUBJECT : Transmittal of Material

It is requested that the attached copies of CIA/RR CB 65-37, Prospects for Agriculture in Communist Countries as of Mid-June 1965, Confidential, be transmitted as follows:

<u>Copy No.</u>	<u>Recipient</u>
171	Mr. Francis Bator, White House Staff, Room 361, Executive Office Building
172	Mr. Samuel Berger, Deputy Assistant Secretary, Far Eastern Affairs, Room 6208, State Dept.
173	Mr. David Henry, Director, Office of Soviet Union Affairs, Room 4217, State Dept.
174	Mr. Harold C. Vedeler, Director, Office of East European Affairs, Room 5220, State Dept.
175	Mr. Robert W. Barnett, Deputy Assistant Secretary for Far Eastern Economic Affairs, Room 6205, State Dept.

ACTION COMPLETED

The dissemination requested by this memorandum has been completed.

BY: *sf*
Date: *7 July 65*

5 Attachments

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